

In Re Keasbey and Mattison Co.

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In re Keasbey & Mattison Co. - 160 U.S. 221 (1895)

U.S. Supreme Court In re Keasbey & Mattison Co., 160 U.S. 221 (1895)

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No. 6, Original

Submitted October 14, 1895

Decided December 16, 1895

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ORIGINAL

SYLLABUS

By virtue of the Act of March 3, 1887, c. 373, as corrected by the Act of August 13, 1888, c. 866, a corporation incorporated by a the Union cannot be compelled to answer to a suit for infringement of a trademark under the Act of March 3, 1881, c. 138, in a district in which it is not incorporated and of which the plaintiff is not an inhabitant, although it does business and has a general agent in that district.

This was a petition for a writ of mandamus to the judges of the Circuit Court of the United States for the Southern District of New York to command them to take jurisdiction and proceed against the E. L. Patch Company upon a bill in equity, filed in that court on January 26, 1895, by the petitioner, described in the bill as a corporation organized and existing under the laws of the State of Pennsylvania, against the E. L. Patch Company, alleged in the bill to be a corporation organized and existing under the laws of the State of Massachusetts and having its principal office and place of business in the City and State of New York, and against Henry E. C. Kuchne and Edward H. Lubbers, alleged to be citizens of the United States and of the State of New York, and managing or general agents of the E. L. Patch Company in that state, for infringement of a trademark, owned by the petitioner, registered in the Patent Office under the laws of the United States, and used in commerce between the United States and several foreign nations named in the bill, and alleging that

"this is a suit of a civil nature in equity where the matter in dispute exceeds, exclusive of interest and costs, the sum or value of two thousand dollars, and arising under the laws of the United States, and also in which there is a controversy between citizens of different states within the intent and meaning of the statute in such case made and provided."

Upon the filing of the bill in equity, a subpoena addressed to all the defendants was issued and was served in the City of New York upon the E. L. Patch Company by exhibiting the original and delivering a copy to Kuchne, one of its managing agents in the district, and was also served upon Kuchne and Lubbers individually.

Upon the return of the subpoena, the E. L. Patch Company, by its solicitor, appearing specially for this purpose, moved to set aside the alleged service of the

subpoena upon the company, and the circuit court, upon a hearing, ordered that the motion be granted, and that service set aside as null and void, and the company relieved from appearing to plead or answer to the bill.

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MR. JUSTICE GRAY, after stating the case, delivered the opinion of the Court.

This case presents a single question of jurisdiction of the circuit court of the United States, and involves no consideration of the merits of the cause of action asserted in the bill filed in that court.

By the Act of March 3, 1881, c. 138,

"owners of trademarks used in commerce with foreign nations, or with the Indian tribes, provided such owners shall be domiciled in the United States, or located in any foreign county or tribe which by treaty, convention or law affords similar privileges to citizens of the United States, may obtain registration of such trademarks"

by causing to be recorded in the Patent Office a statement and description thereof, and complying with other requirements of the act. 21 Stat. 502.

By section 7 of that act,

"Any person who shall reproduce, counterfeit, copy, or colorably imitate any trademark registered under this act, and affix the same to merchandise of substantially the same descriptive properties as those described in the registration shall be liable to an action on the case for damages for the wrongful use of said trademark at the suit of the owner thereof, and the party aggrieved shall also have his remedy, according to the course of equity, to enjoin the wrongful use of such trademark used in foreign commerce or commerce with Indian tribes as aforesaid and to recover compensation therefor in any court having jurisdiction over the person guilty of such wrongful act, and courts of the United States shall have original and appellate jurisdiction in such cases without regard to the amount in

controversy."

By section 11, nothing in this act shall be construed

"to give cognizance to any court of the United States in an action or suit between citizens of the same state, unless the trademark in controversy is used on goods intended to be transported to a foreign country or in lawful commercial intercourse with an Indian tribe. "

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While section 7 provides that "courts of the United States shall have original and appellate jurisdiction in such cases without regard to the amount in controversy," and while the provision of section 11 that nothing in the act shall be construed to give "cognizance to any court of the United States in an action or suit between citizens of the same state" unless the trademark is used in commerce with a foreign country or an Indian tribe implies that a suit for infringement of a trademark used in such commerce may be maintained in some court of the United States, yet neither of those sections, and no other provision of the act, specifies in what court of the United States or in what district suits under the act may be brought, but the jurisdiction of such suits in these respects is left to be ascertained from the acts regulating the jurisdiction of the courts of the United States.

At the time of the passage of the Trademark Act of 1881, the only act to which reference could be had to ascertain such jurisdiction was the Judiciary Act of March 3, 1875, c. 137, section 1, providing that

"The circuit courts of the United States shall have original cognizance, concurrent with the courts of the several states, of all suits of a civil nature at common law or in equity, where the matter in dispute exceeds, exclusive of costs, the sum or value of five hundred dollars, and arising under the Constitution or laws of the United States, or treaties made, or which shall be made, under their authority, . . . or in which there shall be in controversy between citizens of different states, . . . or a controversy between citizens of a state and foreign states, citizens or subjects. . . . But no person shall be arrested in one district for trial in another in any civil

action before a circuit or district court. And no civil suit shall be brought before either of said courts against any person, by any original process or proceeding, in any other district than that whereof he is an inhabitant, or in which he shall be found at the time of serving such process or commencing such proceeding,"

except in certain cases not material to the present inquiry. 18 Stat. 470.

The restriction of jurisdiction with respect to amount in the act of 1875 was perhaps superseded, as to trademark

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cases, by the express provision of section 7 of the act of 1881; but the jurisdiction with regard to the court, as well as to the district, in which such suits should be brought, was controlled by the act of 1875, as the only act in force upon the subject. Under the provision of that act, which allowed a defendant to be sued in the district of which he was an inhabitant or in that in which he was found, a corporation could doubtless have been sued either in the district in which it was incorporated or in any district in which it carried on business and had a general agent. *Ex Parte Schollenberger*, [96 U. S. 369](#) , [96 U. S. 377](#) ; *New England Ins. Co. v. Woodworth*, [111 U. S. 138](#) , [111 U. S. 146](#) ; *Shaw v. Quincy Mining Co.*, [145 U. S. 444](#) , [145 U. S. 452](#) ; *Southern Pacific Co. v. Denton*, [146 U. S. 202](#) , [146 U. S. 207](#) .

But when this suit was brought, the first section of the Judiciary Act of 1875 had been amended by the Act of March 3, 1887, c. 373, as corrected by the Act of August 13, 1888, c. 866, in the parts above quoted, by substituting, for the jurisdictional amount of \$500, exclusive of costs, the amount of \$2,000, exclusive of interest and costs, and by striking out, after the clause

"and no civil suit shall be brought before either of said courts against any person by any original process or proceeding in any other district than that whereof he is an inhabitant"

the alternative, "or in which he shall be found at the time of serving such process, or commencing such proceeding," and by adding

"but where the jurisdiction is founded only on the fact that the action is between citizens of different states, suit shall be brought only in the district of the residence of either the plaintiff or the defendant."

24 Stat. 552; 25 Stat. 433.

The last clause is added by way of proviso to the next preceding clause, which, in its present form, forbids any suit to be brought in any other district than that of which the defendant is an inhabitant, and the effect is that in every suit between citizens of the United States when the jurisdiction is founded upon any of the grounds mentioned in this section other than the citizenship of the parties, it must be brought in the district of which the defendant is an inhabitant, but when the jurisdiction is founded only on the fact that the parties

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are citizens of different states, the suit shall be brought in the district of which either party is an inhabitant. And it is established by the decisions of this Court that within the meaning of this act, a corporation cannot be considered a citizen, an inhabitant, or a resident of a state in which it has not been incorporated, and consequently that a corporation incorporated in a State of the Union cannot be compelled to answer to a civil suit at law or in equity in a circuit court of the United States held in another state, even if the corporation has a usual place of business in that state. *McCormick Co. v. Walthers*, [134 U. S. 41](#) , [134 U. S. 43](#) ; *Shaw v. Quincy Mining Co.*, [145 U. S. 444](#) ; *Southern Pacific Co. v. Denton*, [146 U. S. 202](#) . Those cases, it is true, were of the class in which the jurisdiction is founded only upon the fact that the parties are citizens or corporations of different states. But the reasoning on which they proceeded is equally applicable to the other class, mentioned in the same section, of suits arising under the Constitution, laws, or treaties of the United States, and the only difference is that, by the very terms of the statute, a suit of this class is to be brought in the district of which the defendant

is an inhabitant, and cannot, without the consent of the defendant, be brought in any other district, even in one of which the plaintiff is an inhabitant.

When the parties are citizens of different states, so that the case comes within the general grant of jurisdiction in the first part of the section, the defendant, by entering a general appearance in a suit brought against him in a district of which he is not an inhabitant, waives the right to object that it is brought in the wrong district. *Interior Construction Co. v. Gibney*, ante, [160 U. S. 217](#) , and cases there cited. But a corporation, by doing business or appointing a general agent in a district other than that in which it is created, does not waive its right, if seasonably availed of, to insist that the suit should have been brought in the latter district. *Shaw v. Quincy Mining Co.* and *Southern Pacific Co. v. Denton*, above cited.

In the case of *In re Hohorst*, [150 U. S. 653](#) , on which the petitioner in this case principally relied, the decision was that the provision of the act of 1888 forbidding suits to be

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brought in any other district than that of which the defendant is an inhabitant had no application to an alien or a foreign corporation sued here, and especially in a suit for infringement of a patent right, and therefore such a firm or corporation might be so sued by a citizen of a state of the Union in any district in which valid service could be made on the defendant. That case is distinguishable from the one now before the court in two essential particulars: first, it was a suit against a foreign corporation, which, like an alien, is not a citizen or an inhabitant of any district within the United States, and was therefore not within the scope or intent of the provision requiring suit to be brought in the district of which the defendant is an inhabitant. See *Galveston &c.; Railway v. Gonzales*, [151 U. S. 496](#) . Second, it was a suit for infringement of a patent right, exclusive jurisdiction of which had been granted to the circuit courts of the United States by section 629, cl. 9, and section 711, cl. 5, of the Revised Statutes, reenacting earlier acts of Congress, and was therefore not affected by general provisions regulating the jurisdiction of the courts of the United States, concurrent with that of the several states.

In *United States v. Mooney*, [116 U. S. 104](#) , it was likewise held that the first section of the Judiciary Act of 1875 did not take away the exclusive jurisdiction conferred by earlier statutes upon the district courts of the United States over suits for the recovery of penalties and forfeitures under the customs laws of the United States.

No such rule is applicable to a suit for infringement of a trademark under the act of 1881. That act, while conferring upon the courts of the United States, in general terms, jurisdiction over such suits without regard to the amount in controversy, does not specify either the court or the district of the United States in which such suits shall be brought; nor does it assume to take away or impair the jurisdiction which the courts of the several states always had over suits for infringement of trademarks.

This suit, then, assuming it to be maintainable under the act of 1881, is one of which the courts of the United States

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have jurisdiction concurrently with the courts of the several states. The only existing act of Congress which enables it to be brought in the circuit court of the United States is the act of 1888. The suit comes within the terms of that act both as arising under a law of the United States and as being between citizens of different states. In either aspect, by the provisions of the same act, the defendant cannot be compelled to answer in a district of which neither the defendant nor the plaintiff is an inhabitant. The objection, having been seasonably taken by the defendant corporation, appearing specially for the purpose, was rightly sustained by the circuit court.

Whether the provision in section 7 of the trademark act of 1881 that the courts of the United States should have original jurisdiction in such cases without regard to the amount in controversy would control the pecuniary limit of jurisdiction in the subsequent act of 1888, as in the prior act of 1875, of which that act was an amendment, it is unnecessary to consider, because this bill distinctly alleges that

the matter in dispute exceeds, exclusive of interest and costs, the sum or value of \$2,000.

Writ of mandamus denied.

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